



Agenda Item Number: 2004-11-5A

BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS

Meeting Date: November 23, 2004

Department: Finance **Staff Contact:** Hughes & Strumor, Ltd. Co.
Thaddeus Lucero, Manager
Dan Mayfield, Deputy County Manager - Finance

TITLE: Sale of Tax and Revenue Anticipation Notes

ACTION: Motion to approve Financial Resolution **FR -2004** authorizing the issuance and sale of Bernalillo County, New Mexico Tax and Revenue Anticipation Notes, Series 2004A, in the aggregate principal amount not to exceed \$25,000,000.

SUMMARY:

Tax and Revenue Anticipation Notes (TRAN) are short-term obligations of a municipal government that are used to finance current expenditures pending receipt of tax payments. TRAN proceeds allow the County to reduce fluctuations in cash flow due to the fact that certain revenues, especially property taxes, are not received evenly each month. The resulting increase in the cash balance is available for investment. The difference between the interest earned by investing the TRAN proceeds and the interest paid on the debt represents additional investment revenue for the County.

Projected interest income for FY04-05 from Tax and Revenue Anticipation Note transactions is \$451,397.03. The Deputy County Manager for Finance will coordinate with Bond Counsel and the County Treasurer to immediately invest the proceeds in order to maximize the investment revenue on this transaction.

Budgeted FY04-05 property tax and gross receipts tax collections have been evaluated and it has been determined that the proceeds from this TRAN are necessary in order to minimize the County's cash flow fluctuations.

ATTACHMENTS:

1. **FR -2004** authorizing the issuance and sale of Bernalillo County, New Mexico Tax and Revenue Anticipation Notes, Series 2004A.

FISCAL IMPACT

Forecasted investment income from this TRAN is \$220,350.

STAFF ANALYSIS SUMMARY

COUNTY MANAGER

See Summary

DIVISION DIRECTOR

See Summary

FINANCE

The resolution allows the sale of the TRAN for an amount not to exceed \$25,000,000. The final amount of the TRAN will be established with Bond Counsel upon analysis of the County's reserves and evaluation of the effect of the TRAN sold in June 2004 upon the County's cash flow and reserves. Dan Mayfield 11/16/04

ELECTED OFFICIAL/OTHERS

County Treasurer

We have been able to achieve satisfactory investment results on earlier TRAN deals and we expect to continue to assist in maximizing revenue on future transactions to produce the most beneficial results. Alex Abeyta, Bernalillo County Treasurer 11/16/204